



ADMINISTRATION • 115 Executive Parkway, Suite 400 • Hudson, Ohio 44236 • (330) 342-1700

October 1, 2019

Mayor Basil and members of Council.

### Summary of General Fund budget for 2020:

Total revenue:	\$ 24,097,505
Total expenses:	\$ 24,265,330
Personnel costs:	\$ 9,302,408 (38% of budget)
Operating costs:	\$ 3,914,983 (16% of budget)
Capital costs:	\$ 923,437 (3.8% of budget)
Street costs:	\$ 5,740,000 (24% of budget)
Debt service:	\$ 2,484,502 (10.2% of budget)
Storm water costs:	\$ 1,900,000 (8% of budget)

#### Personnel costs:

Police is the largest cost center for personnel (\$4,380,791) at 47% of the total personnel budget. Staffing is at minimum manning and a reduction in sworn officers would require overtime for shift coverage. This would increase personnel costs as overtime is paid at 1.5 times the hourly rate. Police is a unionized department.

Engineering is the second largest cost center for personnel (\$1,115,951) at 12%. Surveying, infrastructure design and inspection, the road program, storm water improvements, AMATs, connectivity design, etc. are covered through the Engineering Department. Staffing has moved most required engineering design, construction and inspection work in house saving the City many dollars in consulting fees.

Finance is the third largest cost center for personnel (\$1,056,082) at 11.3%. Receivables, budget, payables, payroll, human resources, utility billing and collection are covered in the Finance Department. Most duties are covered by one employee with cross training for coverage.

Administration is the fourth largest cost center for personnel (\$721,813) at 7.75%. Internal support, Council support, communications, labor relations, personnel, and budget are integral parts of administration. As with Finance, most functions within administration are covered primarily by a single employee.

Public works and public properties make up the next largest cost center for personnel (\$670,383) at 7.4%. All maintenance of rights of ways, public buildings and trees are covered as well as permitting, special events, road closures, signs, etc.

Community Development is the 6<sup>th</sup> largest cost center for personnel (\$653,172) at 7%. All land use planning and regulation flows through this department. Additionally, they provide staffing for the Planning Commission, the BZBA, the Arch Board and the Comprehensive plan process.

All remaining staff make up 7.55% of the personnel budget. This includes IT, legal, economic development and City Council.

### Payroll Expense 5 Year History (All Funds) – Wages & Benefits

	2014	2015	2016	2017	2018
Total Payroll	\$16,915,116	\$17,444,801	\$18,308,424	\$18,800,201	\$19,156,801
Percent Increase		3.13%	*4.95%	2.69%	1.90%
<b>Average Increase</b>	<b>3.17%</b>				

Note: operating costs rose .99% over the same time period.

\* 2016 was the first full year of Broadband. If Broadband personnel costs are not included the increase is 3.61%.

The General Fund currently supports the Service (201), Bond Retirement (301), Street Construction (430), and Storm Water Fund (504) via annual transfers. The impact on the 2020 – 2024 Five Year Plan of reducing the fund balance of those funds to 10% is:

Impact of Reducing Fund Balance of Funds Supported By The General Fund						
General Fund	2020	2021	2022	2023	2024	5 Year Total
Total Impact of Reduction to 10%	\$408,460	(\$69,507)	\$32,202	(\$1,502)	(\$3,807)	\$365,847

## Program Costs:

Looking to programmatic costs, several of the major cost centers (including personnel) are listed below.

### 2019 Budgeted Program Costs

	<u>TOTAL BUDGET</u>
<b>LEAF COLLECTION</b>	
PERSONNEL EXPENSES	\$170,633
ALL OTHER EXPENSES	\$138,658
<b>TOTAL LEAF COLLECTION</b>	<b>\$309,291</b>
<b>SNOW REMOVAL</b>	
PERSONNEL EXPENSES	\$141,019
ALL OTHER EXPENSES	\$1,026,180
<b>TOTAL SNOW REMOVAL</b>	<b>\$1,167,199</b>
<b>CODE ENFORCEMENT</b>	
PERSONNEL EXPENSES	\$178,457
ALL OTHER EXPENSES	\$26,504
<b>TOTAL CODE ENFORCEMENT</b>	<b>\$204,962</b>
<b>POLICE DEPARTMENT</b>	
PERSONNEL EXPENSES	\$4,259,123
ALL OTHER EXPENSES	\$1,248,574
<b>TOTAL POLICE DEPARTMENT</b>	<b>\$5,507,697</b>

## **Debt Service:**

### Retiring in 2023:

Barlow Community Center	\$25,625
Police Facility Improvements	\$281,875
Seasons/Norton connector	\$82,000
Street Improvements	\$558,625
Stormwater improvements	\$76,875

After the 2023 payments the City's debt obligations will be reduced by \$1,025,000.

The Milford/91 connector debt will be retired in 2024 which will further reduce debt obligations by \$310,000.

## **Unfunded or Potential large cost centers:**

As monies from debt repayments are realized and/or unallocated funds become available, there are many potential projects that have not yet been included in the 5-year plan. These include:

- 800 radio system for Fire/EMS
- Cybersecurity
- Community/recreation center
- Public works facility
- Connectivity
- Adaptive signals
- Hines Hill grade separation
- EMS
- Storm water improvements
- Safety center
- Cemetery
- HCTV
- Road program and repair

*Jane*